

## SECTION A. PROSPECTIVE BORROWER INFORMATION

1. **Legal Name:** City of Morro Bay
2. **Other names:**
3. **Department Name:** Public Works Department
4. **Business Street Address:** 955 Shasta Avenue, Morro Bay, CA 93442
5. **Mailing Street Address:** 595 Harbor Street, Morro Bay, CA 93442
6. **Website:** www.morrobayca.gov
7. **EIN/TIN:** 952308629
8. **DUNS:** 060890571
9. **Type of Identity:** Local Governmental Entity
10. **Describe the organizational structure of the project(s) and attach an organizational chart illustrating this structure. Explain the relationship between the prospective borrower, the project, and other relevant parties. Include individual members or titles of the project team(s) and their past experiences with projects of similar size and scope. If multiple parties are involved in the project's construction, maintenance, and operation, describe the project's risk allocation framework.**

The project will be 100% owned and operated by the City of Morro Bay and supported by wastewater rates charged by the City. The City will select a design-build contractor to develop a new water reclamation facility and will use the design-bid-build method to procure designers and contractors for new pumping facilities, pipelines, and injection wells. Upon completion of the project, the City will completely own and operate the facility. See *Section A Attachment – Organization Chart*.

11. **If the prospective borrower is not a public entity or in the case of the prospective borrower being a state infrastructure finance authority, the sub-recipient(s) is not a public entity, is the project(s) publicly sponsored? Please explain.**

Not applicable, the prospective borrower is a public entity.

12. **Indicate (yes or no) whether the prospective borrower is prepared to submit an application within 365 days after receiving an invitation to apply. (Assume invitations to apply will be issued approximately 90 days from the close of the letter interest submission period).**

Yes, the prospective borrower is prepared to submit an application within 365 days after receiving an invitation to apply.

## SECTION B. PROJECT PLAN

1. **Project Name:** Water Reclamation Facility Project
2. **Project Website:** <http://morrobaywrf.com/>
3. **Brief Description of the project:**

The City of Morro Bay (City) plans a major capital improvement project to replace the 62-year-old Morro Bay-Cayucos Wastewater Treatment Plant with a new Water Reclamation Facility (WRF) that will turn the City's wastewater into a sustainable water source for agricultural and municipal irrigation and groundwater replenishment. This project is critical to securing a reliable long-term water supply for the City and adjacent agricultural areas. Morro Bay is located on California's Central Coast which has both fragile natural environments and constrained water supplies.

The Water Reclamation Facility project includes: demolishing the old wastewater treatment plant which is located on a beach, and replacing it with a new treatment plant and water reclamation facility at an inland location; constructing a new sewage pump station and pipeline; constructing four new injection wells for groundwater storage, constructing a recycled water pipeline and constructing a waste discharge (brine) pipeline and on-site solar facilities. The WRF will be owned and operated by the City of Morro Bay, and it will primarily serve residents of the City. The WRF will provide advanced water treatment and produce approximately 1000 acre-feet per year of highly purified recycled water. This water will be injected into the Morro Valley aquifer and recovered at the City's existing drinking water wells.

4. **Describe project's purpose (including quantitative or qualitative details on public benefits the project(s) will achieve).**

The existing wastewater treatment plant was constructed in the 1950's, relies on open-air sludge beds and processors, sits on 26 prime oceanfront acres threatened by sea-level rise, and dumps 1 million gallons of treated water into the ocean every day. The community-developed goals for the project are to build a cost-effective facility that reclaims the wasted water to help supplement the City water supply and reduce reliance on imported State Water. This project could eliminate the City's need for imported water, making those resources available for others. Groundwater quality will be improved with the addition of the highly treated water. The project will help the City of Morro Bay respond to effects of climate change, including resultant changes to the operation of the State Water Project and availability of an imported water supply. The project also helps the City mitigate climate change impacts by moving a critical piece of infrastructure off of a beach where it is directly threatened by sea level rise.

5. **Describe the location of the project(s). Include a project map, if available, and/or latitude and longitude details.**

The City of Morro Bay is a coastal city along Highway 1 located in western San Luis Obispo County, California. The City provides water treatment and distribution, as well as wastewater collection,

treatment, and disposal services to residential and commercial customers within its service area. As of the 2015 City of Morro Bay Water and Sewer Rate Study<sup>1</sup>, the City provides:

- Water supply, treatment and distribution service for 5424 residential units—including 11 outside the City limits under legacy agreements—and 341 commercial units
- Wastewater collection and disposal services for approximately 5468 residential and 494 commercial units

The City has selected a 30-acre site, the South Bay Boulevard site, for the water reclamation facility (labeled “WRF” in *Section B Attachment – Project Location Map*). Located at (35.368383, -120.822473), the South Bay Boulevard site is over 2.5 miles from the ocean, directly off of Highway 1, and away from any residential areas. The site is currently outside the City limits and service area. The City is considering annexation of the property, in which case permitting would occur through the City. If the property is not annexed, permitting would be performed through the San Luis Obispo County’s process. The City’s General Plan Update, currently underway, will consider the WRF property.

6. **County(s) project(s) will serve:** San Luis Obispo County
7. **Population served by the project(s):** 10,224
8. **Total population served by system:** 10,224
9. **Indicate the type of project delivery method:** The project delivery method will be design-build.
10. **Present the project schedule(s), including the proposed project start and end dates of planning, design, permitting, and construction or implementation phases.**

Initial activities will include development of procurement documents and preliminary plans and specifications for the water reclamation facility and on-site improvements. This task will include development of contract documents, solicitation documents, performance criteria, and conceptual design of the water reclamation facility. Once plans and criteria are developed, the bridging documents will be used to solicit design/build contractors to submit qualifications for review and ranking by a committee of City staff, a member of the public and the Program Manager. The top three design/build contractors will be requested to provide a proposal for the work. The design/build contractor will be selected based on qualification and cost. Construction is expected to take 24 months.

**Project Schedule**

Item	Start	Finish
Permitting and Planning	July 2015	November 2018
EIR Process	August 2016	November 2017
Design-Build WRF Design & Construction	May 2018	May 2021
Design of Offsite Lift Station, Pipelines, and Injection Wells	May 2017	January 2019
Construction of Offsite Lift Station, Pipelines, and Injection Wells	April 2019	May 2021
Startup and Commissioning	February 2021	May 2021

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<sup>1</sup> Draft rate study provided as *Section D Attachment – Draft Sewer Financial Plan and Rate Update*

**11. Provide any analysis (i.e. preliminary engineering reports, feasibility studies, preliminary designs, siting studies, project plans, etc.) completed in support of the project(s). Provide any referenced documents as attachments.**

In 2013, the City of Morro Bay began studying alternatives for upgrade and possible relocation of the wastewater treatment plant. In 2013, the California Coastal Commission denied permission for the City to rebuild a wastewater treatment facility at the beach location. Concurrently, the historic California drought and other factors placed a new-found emphasis on water reuse. The community and City Council established water reuse as a goal of the project.

Extensive siting studies performed between 2013 and 2016 resulted in the City acquiring the South Bay Boulevard site.

A 2016-17 Facility Master Plan explored water and solids treatment alternatives, and provided recommendations. A Master Water Reclamation Plan prepared in 2016-17 identified alternatives for both treatment and uses of recycled water. The City Council is expected to adopt both of these plans in December 2017.

A Draft Environmental Impact Report will be released for public review in August 2017.

Please see *Section B Attachment - Draft Master Water Reclamation Plan* for a complete feasibility study and alternatives analysis.

**12. Present the findings of any alternatives analysis or business cases conducted, if available. Describe the project alternatives considered and the rationale (i.e., lowest capital cost, greater ease of operation, most reliable, fewest environmental impacts, etc.) for the selected alternative; this description should include the technical, managerial, financial, environmental, operational and local decision making rationale for the selected approach. Provide any referenced documents as attachments.**

Siting studies performed between 2013 and 2016 resulted in the City acquiring the South Bay Boulevard site. This site met many criteria including: being outside of the Coastal Zone, accessibility, and reduced likelihood of environmental or odor issues.

The Facility Master Plan explored water and solids treatment alternatives, and the Master Water Reclamation Plan evaluated options for recycling and reusing water. Both plans relied on project goals developed by the community and adopted by the City Council. Both plans are attached. (*Section B Attachment – Draft Facility Master Plan and Section B Attachment - Draft Master Water Reclamation Plan*). Major findings from both studies are summarized in Table B1 below.

**Table B1: Community Goals for the Water Reclamation Facility Project<sup>2</sup>**

<b>Community Goal</b>	<b>Relevant Results from Facility Master Plan</b>	<b>Relevant Results from Master Water Reclamation Plan</b>
Produce tertiary disinfected recycled water	WRF project is to be designed accordingly	Allows for many recycled water uses and provides basis for advanced treatment
Produce reclaimed wastewater cost-effectively	Costs of various treatment methods were evaluated	Capital costs, operating costs and total amount of recycled water produced were considered with each alternative
Allow for onsite composting	Composting at a regional facility was found to be more cost effective and present fewer conflicts	Not Applicable
Design for energy recovery	Installation of on-site solar facilities could meet the majority of baseline power needs.	Energy usage and energy production were considered in the alternatives analysis.
Design to treat for contaminants of emerging concern (CECs)	Treatment options were considered	Advanced treatment addresses CECs
Allow for other municipal uses	Site planning included consideration of shared office, storage, and shop facilities for water, wastewater, and public works staff.	Injected advanced treated water will improve groundwater quality
Ensure compatibility with neighboring land uses	The South Bay Blvd. site was identified as ideal due to the relatively low potential for conflicts with neighboring land uses	The basis of design includes an emphasis on odor control. The facility will be designed to minimize impacts from odors, and harmonize with the environment.
Operational WRF within five years	WRF project is on schedule	Potential challenges that could delay the project were considered in the alternatives analysis. Indirect potable reuse presents less schedule risk.

<sup>2</sup> Adapted from Table 1-1 in *Section B Attachment - Draft Master Water Reclamation Plan*

In the Draft Master Water Reclamation Plan, the City evaluated recycled water project alternatives based on the following criteria, aligning with the community project goals:

- Comparative capital and operating costs
- Compatibility with neighboring land uses and impact during construction
  - Total pipeline length; land acquisition
- Reliability of recycled water uses and potential for schedule delays
- Potential to benefit the City’s potable water supply (as described below)

This evaluation also considered the project’s potential to benefit the City’s potable water supply, either by offsetting potable water demand with recycled water, or by supplementing the City’s groundwater supply using injection wells (indirect potable reuse). The City currently relies on water supplies imported from the Sacramento-San Joaquin Bay-Delta (the Bay-Delta) as a primary source of water. During times of low deliveries, such as drought, or when the annual State Water Project maintenance occurs, the City of Morro Bay pumps brackish groundwater from the Morro Valley Groundwater Basin, and treats this at a City-owned Water Treatment Plant. Currently, only groundwater from the City’s Morro Valley wells can be treated at this facility. Groundwater from City-owned wells in the Chorro Valley is very high in nitrates and total dissolved solids, and is unusable without additional treatment processes, which the City does not currently have. With injection of the ultra-pure recycled water, groundwater quality will be improved.

Reducing dependence on imported water by offsetting demand or supplementing the local water supply with recycled water will increase the reliability of the City’s water supply and reduce long-term costs. The cost of imported water is increasing due to more demand, rising energy costs, environmental constraints, periodic drought, and many other factors. At the same time, the imported water supply is at risk of disruption from earthquakes, climate change, and other natural disasters. Creating and enhancing a local water supply creates resiliency and reduces the risk of water supply disruption for the citizens of Morro Bay. The feasible Recycled Water Alternatives that were considered are summarized in Table B2.

<b>Table B2: Feasible Recycled Water Alternatives</b>					
	<b>Alt. 0</b>	<b>Alternative 1</b>	<b>Alternative 2</b>	<b>Alternative 3</b>	<b>Alternative 4</b>
	<b>No Recycled Water Project</b> Secondary Disinfection only	<b>Urban Reuse</b>	<b>Agricultural Exchange</b>	<b>Indirect Potable Reuse East</b>	<b>Indirect Potable Reuse West</b>
<b>Total Program Capital Cost Opinion<sup>3</sup></b>	<b>\$123,520,000</b>	<b>\$152,940,000</b>	<b>\$167,570,000</b>	<b>\$166,620,000</b>	<b>\$166,990,000</b>

<sup>3</sup> Note: Total Program Capital Cost Opinion includes lift station, pipelines, treatment plant, brine/wet weather discharge to the existing ocean outfall, recycled water project components (as applicable), land acquisition for the WRF, design, procurement, project administration, construction management, permitting, environmental monitoring and mitigation, demolition of existing WWTP, and 25% construction contingency.

The alternatives analysis resulted in the following main conclusions:

- The highest water supply benefit will be realized through indirect potable reuse (Alternatives 3 and 4). Based on preliminary modeling, it appears the estimated 1000 acre-feet per year water supply benefit of Alternative 4 could meet the majority, if not all, of the City's current water demand. This could significantly reduce or eliminate reliance on imported water.
- Capital costs for agricultural exchange (Alternative 2) and indirect potable reuse (Alternatives 3 and 4) are similar, but indirect potable reuse has a significantly higher water supply benefit. Agricultural exchange relies on successful contract negotiations with landowners, adding some uncertainty.

Therefore, the recommended recycled water project is indirect potable reuse, Alternative 3 or 4, with the main difference consisting of the locations for injection and extraction wells. The indirect potable reuse alternative provides the highest potential water supply benefit. Supplementing the potable water supply with highly treated recycled water is the highest form of allowable beneficial reuse, and will allow the City to reduce or eliminate dependence on imported water.

Additional studies are underway in 2017 to further refine the project understanding and cost estimates. These include:

- Rate study update
- Consultation with regulatory agencies
- Siting study for injection wells
- Pilot study for injection and extraction
- Groundwater modeling update (after/with pilot study)
- Assessment of groundwater treatment and blending options
- Design of recycled water system, including advanced treatment, injection wells, pumps and pipelines

**13. If available, provide a copy of the system master plan or like document.**

- Water Reclamation Facility Master Plan – DRAFT November 2016  
(*Section B Attachment - Draft Facility Master Plan*)
- City of Morro Bay Master Water Reclamation Plan– DRAFT March 2017  
(*Section B Attachment - Draft Master Water Reclamation Plan*)

**14. Briefly discuss any other issues that may affect the development and financing of the project(s), such as community support, pending legislation, permitting, or litigation.**

There are no foreseen issues to impede development or financing of the project, however, the City has not yet adopted the rate schedule to support debt service on the Water Reclamation Facility Project. The rate study and public outreach for this are underway, and the City expects to adopt new rates in late 2017, and prior to entering into any agreements related to WIFIA.

**15. Describe the authorizing actions (e.g., local vote, board vote, ordinance) that would need to occur in order to enter into a loan agreement with the WIFIA program.**

The Morro Bay City Council must pass a resolution authorizing the City Manager, David Buckingham, to enter into a loan agreement with the WIFIA program. Also, prior to entering into the loan agreement, the City Council must follow a public rate adoption process and approve new wastewater rates. This process is underway in 2017.

**16. Present the environmental review process and status of such for the project(s).**

The City is currently preparing an Environmental Impact Report (EIR) for the project, including the proposed demolition of the existing wastewater treatment plant, construction of the new Water Reclamation Facility and related structures, and construction of a lift station, sewer pipelines, and a discharge pipeline. The EIR process includes an Administrative Draft, Public Review Draft, and Final EIR documents. The Draft EIR is on schedule and will be released for public comment in August 2017. The Final EIR is expected to be certified by the City Council in November 2017. The City is utilizing the CEQA-plus environmental review process, which addresses NEPA requirements for projects in California.

A few cultural resource sites have been identified along the proposed pipeline alignment. Impacts to these will be avoided and/or mitigated with the design of the project. Mitigation plans will be included in the EIR.

**17. Describe the status of any additional permits and approvals that the project(s) may require. If applicable, describe community outreach efforts conducted to date and planned for the project(s).**

The City has not yet applied for permits, as the environmental review process is still underway. However, the project is being developed with discussion and input from many regulators, including the State Water Board Division of Drinking Water, which regulates recycled water projects in California. The Draft EIR (August 2017) will provide a detailed review of the required permits. The anticipated permits include:

- National Pollution Discharge Elimination System, Waste Discharge Requirements Permit, issued by Central Coast Regional Water Quality Control Board
- Title 22 Permit and Approved Engineering Report from State Water Board, Division of Drinking Water.
- Coastal Development Permit from the California Coastal Commission
- Encroachment permit from California Department of Transportation
- Streambed alteration permit (for pipelines and lift station) from California Department of Fish and Wildlife
- Permit to operate generator – San Luis Obispo Air Pollution Control District
- Building, grading and stormwater management permits from the City of Morro Bay and/or the County of San Luis Obispo

Consultation with the following agencies will occur:

- a. U.S. Army Corps of Engineers (pursuant to Section 404 of the Clean Water Act)

- b. Regional Water Quality Control Board (NPDES permit; meeting Porter-Cologne Act requirements; Section 401 certification)
- c. California Department of Fish and Wildlife (Streambed Alteration Agreement)
- d. California Environmental Protection Agency, Department of Toxic Substances Control (Site Assessment / Remedial Action Plan)
- e. San Luis Obispo County Air Pollution Control District

The community has been involved throughout the planning process, starting with workshops to determine project goals and considerations. The public outreach program continues to be a priority, and has engaged a broad cross-section of residents and businesses. Primary components of the outreach program are:

1. Interviews and workshops with key stakeholders
2. Neighborhood workshops
3. Technical presentations
4. Water Reclamation Facility Citizens Advisory Committee (WRFCAC) meetings
5. City Council study sessions and hearings
6. Formal Environmental Review process
7. Coordination with outside permitting agencies
8. WRF Program website and promotional materials

**Strategic Framework for Community Outreach**

Table B3 summarizes the key stakeholder groups, their objectives in the context of the project, and how the program intends to involve them in the overall process.

<b>Table B3: Strategic Framework for Targeting Key Stakeholders</b>		
<b>Stakeholder Group</b>	<b>Objectives for the Group</b>	<b>Outreach Approach(es)</b>
General Public	<ul style="list-style-type: none"> <li>• Education on City process</li> <li>• Understand impacts to water rates</li> <li>• Project updates</li> <li>• Receive feedback to guide program</li> </ul>	<ul style="list-style-type: none"> <li>• Informal communication</li> <li>• Stakeholder interviews</li> <li>• Workshops/farmer’s markets/ open houses</li> <li>• Website/Newsletters/postcard updates/E-blasts/Surveys</li> </ul>
Neighborhoods and Individuals Living Near Potential WRF sites	<ul style="list-style-type: none"> <li>• Education, updates and feedback</li> </ul>	<ul style="list-style-type: none"> <li>• Interviews/site visits/meetings</li> <li>• Focused Neighborhood Workshops/meetings (HOA meeting, open forum)</li> </ul>
City Council/WRFCAC	<ul style="list-style-type: none"> <li>• Affirmation of stated goals</li> <li>• Education on City process</li> <li>• Project updates</li> <li>• Present technical information</li> </ul>	<ul style="list-style-type: none"> <li>• Workshops/Study Sessions</li> <li>• Status reports</li> <li>• Formal Presentation of Draft Deliverables</li> </ul>

	<ul style="list-style-type: none"> <li>• Receive feedback and direction</li> <li>• Relationship of risk, cost, schedule</li> </ul>	
Potential Recycled Water Customers	<ul style="list-style-type: none"> <li>• Education on City process</li> <li>• Determine level of interest</li> <li>• Identify key motivations to participate</li> <li>• Identify critical path items to achieve reclamation</li> </ul>	<ul style="list-style-type: none"> <li>• Informal communication</li> <li>• Stakeholder interviews</li> <li>• Technical workshops</li> </ul>
Interested Public Agencies	<ul style="list-style-type: none"> <li>• Education on City process</li> <li>• Identify permitting requirements</li> <li>• Identify needs and constraints</li> <li>• Project updates</li> <li>• Investigate recycled water opportunities</li> <li>• Identify and complete critical path items</li> <li>• Prevent surprises</li> </ul>	<ul style="list-style-type: none"> <li>• Informal communication/meetings</li> <li>• Ongoing updates</li> <li>• Formal consultation</li> <li>• Workshops</li> </ul>
Industry	<ul style="list-style-type: none"> <li>• Promote fair competition</li> <li>• Get best value for City</li> <li>• Reduce risk to City</li> </ul>	<ul style="list-style-type: none"> <li>• Technical workshops</li> <li>• Website with registration/ contact sharing</li> </ul>

The Project Management team has conducted stakeholder interviews and/or neighborhood workshops on several occasions since 2015, focusing on groups or individuals with interests in the following issues or sites:

- Facility Master Plan contents, water reclamation issues, and other project input (stakeholder interviews; October 2015)
- Righetti site (neighborhood workshop; February 2016)
- Open House meetings —(4 total meetings; April 2016)
- Madonna site (stakeholder interviews; March-April 2016)
- South Bay Blvd site (stakeholder interviews and community outreach; May-June 2016)
- Updates via newsletters and postcard mailers (March and May 2016, April 2017)
- Facility Master Plan presentation (Community Meeting, November 2016)
- Master Water Reclamation Plan presentations (Public Meetings; March and April 2017)
- *Upcoming* WRF Project Information Session (June 2017)

The program management team provides monthly project updates at City Council Meetings and WRF Citizen’s Advisory Committee meetings. Both meetings are televised locally and recorded for posting on the City’s YouTube channel. The program management team also maintains a Project website: [morrobaywrf.com](http://morrobaywrf.com).

A project logo has been developed and a project-specific website was launched in December 2015, and is updated regularly. Community meetings, water reclamation planning workshops, and technical workshops are ongoing in 2016 and 2017; and newsletters and surveys are also planned to keep the

community informed and engaged as the project progresses. The WRF Program Management team will continue to conduct meetings with the Morro Bay Water Reclamation Facility Citizens Advisory Committee on a monthly basis, at minimum. City Council Study Sessions will ensure Council is involved in all pertinent aspects of the project.

**18. Indicate if the project is for new construction, substantial improvement, or to address substantial damage to structures and facilities, as described in [Executive Order 13690](#)<sup>4</sup> and the [Guidelines](#)<sup>5</sup>. See the [WIFIA program handbook](#), section 2.7.4, for more information.**

The project is for new construction.

**19. Indicate if the project is located in, close to, or could impact the 100-year floodplain.**

- Located in 100-year floodplain
- Close to 100-year floodplain
- Could impact 100-year floodplain
- None of the Above

A new lift station will be located within the 100-year floodplain, but will replace the existing wastewater treatment plant that is located within the floodplain. The new lift station will be flood-proofed.

**20. If known, indicate if the project is in the expanded horizontal floodplain as described in [E.O 13690](#) and the [Guidelines](#). If necessary, will the project be made resilient to the higher vertical elevation as described in [E.O 13690](#) and the [Guidelines](#).**

The project is not in the expanded horizontal floodplain.

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<sup>4</sup> Executive Order 13690, Establishing a Federal Flood Risk Management Standard and a Process for Further Soliciting and Considering Stakeholder Input.)

<sup>5</sup> Draft Guidelines for Implementing Executive Order 11988, Floodplain Management, and Executive Order 13690, Establishing a Federal Flood Risk Management Standard and a Process for Further Soliciting and Considering Stakeholder Input dated January 28, 2015

## SECTION C. PROJECT OPERATIONS AND MAINTENANCE PLAN

- 1. Provide the estimated useful life of the project(s) and describe the underlying assumptions. In determining the useful life of the project(s), please consider the useful economic life of the asset(s) to be financed.**

The anticipated useful life of the project is 50 years or more, with a proper maintenance and replacement program. It is highly likely that the project will have a useful life of 50 years or more since the existing program budgetary annual operations and maintenance cost opinions include allowances for repair and replacement.

- 2. Provide the project(s)'s operation and maintenance plan, including sources of revenue to finance those activities, any performance guarantees, and major maintenance reserves. A preliminary or draft plan is acceptable.**

The operations and maintenance plan will be developed when the design is finalized, and asset management will be a component of the Basis of Design. This is an innovative and proactive approach to minimize the time and expense needed for necessary maintenance.

Wastewater rates collected by the City of Morro Bay create a sufficient financial reserve for operations and maintenance of the recycled water facility over the long term. The City intends to raise wastewater rates to finance the capital project and the operations. A Rate Study update is in preparation, with the City Council review of the rate increase scheduled for June 2017. When construction is completed, the City will own the facilities that will be operated by City of Morro Bay's Public Works staff, which includes certified wastewater treatment plant operators.

- 3. Describe any contractual arrangements that may impact the operation of the project(s).**

There are no contractual arrangements that may impact the operation of the project.

## SECTION D: FINANCING PLAN

### 1. Provide a narrative describing how the project’s senior debt obligations will garner an investment-grade rating.

The City of Morro Bay’s senior debt obligations for the project will be secured by the net revenues of the City’s sewer enterprise. The City has already adopted substantial sewer rate increases to help fund the project and is proactively planning to adopt additional sewer rate increases to ensure adequate funding for future operating, debt service, and capital needs. Sewer service charges are the main source of revenue for the sewer enterprise.

In 2015, the City adopted 5 years of sewer rate increases, with increases effective July 1 of each year from 2015 through 2019. These rate increases were designed to provide funding for future operating, maintenance and capital improvement needs, and provide financial security for the anticipated issuance of debt to finance the project. The adopted rate increases demonstrate the City’s commitment to raising rates as needed to fund costs of service and debt service to support the project. The City has been implementing the rate increases on schedule.

The City is currently in the planning stages for moving forward with additional sewer rate increases to support debt financing for the project and investment-grade credit ratings. The City recently updated its financial projections based on updated engineering cost estimates for the project (with contingency) and an updated project schedule. The financial projections are based on reasonable and conservatively-high estimates of future operating, capital, and debt service funding needs. Future rate increases are designed to support a minimum debt service coverage ratio of 1.20x on debt issued to fund the project, and provide cash funding for a debt service reserve fund equal to one year of annual debt service. Additionally, the City anticipates adopting legal covenants committing the City to adopt future sewer rate increases as needed to generate net revenues adequate to pay annual debt service and achieve required debt service coverage ratios.

### 2. List the estimated total capital costs of the project, broken down by activity type and differentiating between eligible project costs and ineligible project costs.

<b>Table D1: Total Estimated Program Costs</b>	
Water Reclamation Facility Construction Cost	\$89,710,000
Recycled Water Pump Station, Injection Well and Pipeline Construction Cost	\$18,110,000
Existing WWTP Demolition	\$3,300,000
Engineering/Design	\$14,070,000
Program Management, Administration & Construction Management	\$14,353,600
Permitting, Monitoring, and Mitigation	\$897,100
Property Acquisition	\$300,000
<b>Subtotal Estimated Capital Cost (rounded)</b>	<b>\$140,700,000</b>
Construction Contingency	\$26,290,000
<b>Total Estimated Cost Opinion (rounded)</b>	<b>\$167,000,000</b>

All costs provided above are eligible costs for the project.

### 3. Describe each source of financing for the project.

Sources of financing that will be pursued for the project include the following:

- WIFIA = \$81,830,000 (49% of Total Program Cost)
- Recycled Water SRF = \$85,170,000 (51% of Total Project Cost) – Includes \$10,300,000 for the awarded SRF Planning Loan that would be rolled into the SRF Construction Loan.

30-Year financing will be pursued. As shown in the included financial table (Table D1), an interest rate of 2.25% was assumed for both SRF and WIFIA financing. It is assumed the loan repayment will begin one year after construction is completed. Construction completion is scheduled for May of 2021. Therefore, debt repayment will begin in May of 2022 and it is assumed that \$8,122,500 will be paid to EPA and SWRCB for debt service, including both principal and interest over the 30-year loan period. It is assumed the final maturity date will be May of 2052.

Disbursements will be requested as project activities are initially paid by the City and then invoiced to the State Water Resources Control Board and/or EPA.

The repayment source will be sewer enterprise revenues which primarily consist of sewer service charges and fees.

### 4. Describe the terms of the prospective borrower's existing debt and equity financing sources.

As described in the 2016 Audited Financial Report, existing debt includes pension-related debt, Certificates of Participation for the 2011 Fire Station Financing Project, and Note Payable to the Department of Boating and Waterways for construction of the T-Pier and other harbor improvements. Details are provided on pages 68 and 69 of *Section D Attachment – 2015-2016 Audited Financial Statement* and summarized below. The City has no outstanding sewer enterprise debt.

#### **Pension –Related Debt**

As of June 30, 2003, the California Public Employees' Retirement System ("CalPERS") implemented a risk pool for the City's multiple-employer public employee defined benefit pension plan. The City's Miscellaneous and Safety Plans converted from agent multiple-employer plans to cost-sharing multiple employer plans. In addition to the annual required contributions, the City is also required to make annual payments on a Side Fund, which was created when the City entered the risk pool to account for the difference between the funded status of the pool and the funded status of the City's plans. The responsibility for funding the Side Fund is specific to the City and is not shared by all employers in the risk pool. The annual payments on the Side Fund represent principal and interest payments on the pension-related debt, which are included in the retirement expenditures in the City's various Functions.

The amount of pension-related debt outstanding at June 30, 2016 totaled \$974,151, which includes \$560,238 for the Safety Fire Plan and \$413,913 for the Safety Police Plan.

### Certificates of Participation

On October 12, 2011, the City entered into an installment sale agreement with the Public Property Financing Corporation of California 2011 Fire Station Financing Project, Series A and B, Certificates of Participation (the “COP”) for \$1,500,000 and \$300,000, respectively. The principal balance of Series A matures commencing from September 2012 to September 1, 2041, interest rates at 3.75%, payable on March 1 and September 1 of each year. Series B was fully paid as of June 30, 2016. Series A had an outstanding balance of \$1,386,000 at June 30, 2016.

#### Certificate of Participation

Year Ending June 30,	Principal	Interest	Total
2017	\$31,000	\$51,393	\$82,393
2018	\$33,000	\$50,194	\$83,194
2019	\$34,000	\$48,937	\$82,937
2020	\$35,000	\$47,644	\$82,644
2021	\$37,000	\$46,293	\$83,293
2022-2026	\$207,000	\$209,232	\$416,232
2027-2031	\$250,000	\$166,501	\$416,501
2032-2036	\$305,000	\$114,618	\$419,618
2037-2041	\$371,000	\$51,394	\$422,394
2042	\$83,000	\$1,975	\$84,975
<b>Total</b>	<b>\$1,386,000</b>	<b>\$788,181</b>	<b>\$2,174,181</b>

### Notes Payable

Note Payable to the Department of Boating and Waterways for the construction of the T-Pier and other harbor improvements. Notes are payable annually, beginning August 1, 1997, in the amount of \$134,859, including interest at 4.7% annum.

#### Notes Payable

Year Ending June 30,	Principal	Interest	Total
2017	\$103,558	\$31,301	\$134,859
2018	\$108,219	\$26,640	\$134,859
2019	\$113,088	\$21,771	\$134,859
2020	\$188,177	\$16,682	\$134,859
2021	\$123,496	\$11,363	\$134,859
2022	\$129,029	\$5,806	\$134,835
<b>Total</b>	<b>\$695,567</b>	<b>\$113,563</b>	<b>\$809,130</b>

**5. Describe the prospective borrower's financial condition.**

The City is current on all debt service and is not in risk of imminent default, not in technical default, and not in bankruptcy proceedings. Audited financial statements for 2014, 2015, and 2016 are available. See *Section D Attachment – 2015-2016 Audited Financial Statement*.

**6. Describe the revenue sources that will be pledged to repayment of the WIFIA assistance.**

Sewer enterprise revenues, consisting primarily of sewer service charges and fees, will repay the WIFIA assistance. See *Section D Attachment – Table D2* for preliminary revenue projections and assumptions. In order to fully fund the Project and all other wastewater enterprise operations and capital projects, sewer rate revenue of \$16.0M per year is planned beginning in fiscal year 2020/2021, when the SRF and WIFIA Reserve Funds will begin accruing in anticipation of debt service payments beginning in 2022. Of that \$16.0M, \$8.1M will be allocated for debt service each year.

**7. Describe the terms expected for each source of financing for the project.**

30-Year financing will be pursued. In *Section D Attachment – Table D2*, an interest rate of 2.25% was assumed for both SRF and WIFIA financing. It is assumed the loan repayment will begin one year after construction is completed. Construction completion is scheduled for May of 2021. Therefore, debt repayment will begin in May of 2022 and it is assumed that \$8,122,500 will be paid to EPA and SWRCB for debt service, including both principal and interest over the 30-year loan period. It is assumed the maturity date will be May of 2052.

Disbursements will be requested as project activities are initially paid by the City and then invoiced to the State Water Resources Control Board and/or EPA.

The sole repayment source will be sewer enterprise revenues, consisting primarily of sewer service charges and fees.

**8. Provide sources and uses of funds exhibit for the construction period.**

WIFIA and SRF programs will be pursued to fund the project. The timing of debt funding is described in *Section D Attachment – Table D2*.

**9. Attach a summary financial pro forma.**

See *Section D Attachment - Table D2* for summary financial pro forma for the City's sewer enterprise, including historical cash flow, assumed funding sources (WIFIA and SRF), dedicated sources of repayment (sewer rates), revenue sources (sewer rates), operation and maintenance costs, capital expenditures, and debt service payments and reserve transfers.

**10. Describe the results and status of revenue feasibility studies.**

The City's Draft Sewer Financial Plan and Rate Update (*Section D Attachment – Draft Sewer Financial Plan and Rate Update*) concluded that a sewer rate structure that is based on a \$180/month single family residence rate will fully fund the sewer enterprise including debt service and the reserve funds for WIFIA and SRF. The projected rate also supports achieving a future debt service coverage ratio of at least 120% of annual debt service.

**11. Has the prospective borrower consulted with the applicable State Revolving Fund (SRF) authority to procure SRF funding? If so, explain.**

Yes. The City signed an agreement for a Clean Water SRF Planning Loan for \$10.3 million. The agreement is provided as *Section D Attachment – SRF Planning Loan Agreement*. After the EIR is certified, the complete environmental, financial, and technical packages will be submitted to the State Water Board for CWSRF financing for project construction and related costs.

## SECTION E. SELECTION CRITERIA

### 1. National or regional significance:

*Describe the extent to which the project is nationally or regionally significant, with respect to the generation of economic and public health benefits.*

The project is regionally significant. Economic benefits are created by improvement to water supply reliability, and improvement to environmental water quality in Morro Bay. Public health benefits arise from improved water quality in Morro Bay. The City's current wastewater treatment plant does not meet modern standards for discharge.

Protecting and efficiently managing water resources is essential to maintaining a strong, vibrant economy in Morro Bay and the surrounding region. The City of Morro Bay currently purchases most of its water supply from outside the region, importing water from the State Water Project. This water originates hundreds of miles away, in the Sierra Nevada mountains and the Bay-Delta. By purchasing its water from an external supplier, the City of Morro Bay faces considerable uncertainty about the future cost and reliability of that water. There are many, many externalities beyond the City's control in this situation. These are exacerbated by increased demands expected in the future, and by climate change.

It follows that decreasing reliance on imported water provides economic benefits to residents, businesses and agriculture by creating more certainty in the water supply. A new local water supply, derived from advanced treated recycled water from a new Water Reclamation Facility, will greatly reduce the risk of supply disruption due to earthquakes, droughts, or shortages for other reasons. A local water supply will also improve the community's ability to adapt to climate change and will also free up more State Water for other potential users.

Replacing the existing outdated wastewater treatment facility also generates regionally significant economic and public health benefits. Tourism and recreation are major economic drivers in the region, thus water supply and water quality are integral to the region's financial future. Morro Bay is a scenic, shallow lagoon located on the central coast of California. Morro Bay is an impaired waterbody that flows into a Marine Protected Area (Morro Bay State Estuary and Morro Bay National Estuary Program), and a Critical Coastal Area identified by the state of California. Impairments include pathogens, nutrients and sediment. Bacteria contamination in Morro Bay has increased to a point where many of the shellfish growing beds are no longer viable. Bacteria levels exceed standards for shellfish growing in half of the sampled locations in the shellfish beds, and have often exceeded county and state limits for body contact recreation.

### 2. Enables project to proceed earlier:

*Describe the likelihood that assistance under this subtitle would enable the project to proceed at an earlier date than the project would otherwise be able to proceed.*

The City previously envisioned this as a phased project, with a new wastewater treatment facility in Phase 1, and recycled water in Phase 2. The project was considered in this way due to perceived limitations on the availability of funding. If WIFIA funding is available, the entire project, including the recycled water component can proceed more quickly.

### **3. New or innovative approaches:**

*Describe the extent to which the project uses new or innovative approaches such as the use of energy efficient parts and systems, or the use of renewable or alternate sources of energy; green infrastructure; and the development of alternate sources of drinking water through aquifer recharge, water recycling or desalination.*

Design of the treatment facility and related infrastructure, will be optimized for energy efficiency in the treatment processes, and for system performance and building performance. The facility will include low-impact development stormwater features and best management practices to reduce stormwater runoff. On-site solar facilities are also planned.

The project demonstrates innovation by creating ultra-pure recycled water and injecting it into the aquifer for use by the City. This is known as indirect potable reuse. By modeling this innovative approach to a secure local water supply, Morro Bay will provide an example for other imported water users on the Central Coast to follow.

### **4. Protection against extreme weather events:**

*Describe the extent to which the project protects against extreme weather events, such as floods or hurricanes, as well as the impacts of climate change.*

The City of Morro Bay currently relies on the State Water Project for the majority of its water supply. The State Water Project brings water from hundreds of miles away, through a complex system of dams, canals, pumps and reservoirs, and crossing the Santa Lucia mountains. The entire system is vulnerable to extreme weather events, earthquakes, and climate change impacts.

According to the U.S. Drought Monitor, conditions on the Central Coast were among the worst in California for the duration of the drought, and are still classified as “abnormally dry.”

By creating a new local water supply focused on advanced treated recycled water stored in the ground, the City of Morro Bay will greatly reduce its risk of a disruption in water supply and protect itself from future drought impacts.

### **5. Maintain or protect the environment or public health:**

*Describe the extent to which the project helps maintain or protect the environment or public health.*

Replacing the current outdated wastewater treatment facility will protect both the environment and public health. Morro Bay is a scenic, shallow lagoon located on the central coast of California. It is an impaired waterbody (pathogens, nutrients and sediment) that flows into Morro Bay State Estuary, a

marine protected area, and a Critical Coastal Area identified by the state of California. The Morro Bay National Estuary Program works to protect and restore Morro Bay and its watershed by conducting monitoring and research to track the health of the estuary, repairing natural habitats to protect water quality and wildlife, and educating residents and visitors on how to be good stewards of the bay.

Morro Bay water quality is impaired by pathogens, sediment and nutrients. Bacteria contamination in Morro Bay has increased to a point where many of the shellfish growing beds are no longer viable. Bacteria levels exceed standards for shellfish growing in half of the sampled locations in the shellfish beds, and have often exceeded county and state limits for body contact recreation.

Developing a local water supply can reduce greenhouse gas emissions associated with transporting water long distances. These contribute to global climate change, and related public and environmental health impacts.

## **6. Serves energy exploration or production areas:**

*Describe the extent to which a project serves regions with significant energy exploration, development, or production areas.*

San Luis Obispo County is an important contributor to California's energy portfolio. The County has 231 active oil wells which collectively produce over a half-million barrels of oil per year (536,845 barrels in 2015). The County also produced 174,226 Mcf of gas in 2015.<sup>1</sup> San Luis Obispo County also has geothermal resources.<sup>2</sup>

In addition to production, the County hosts the Phillips 66 Santa Maria Refinery which processes about 44,500 barrels of crude oil per day. This facility is an important part of the local economy, employing 140 full-time Phillips 66 workers and specialized contractors.<sup>3</sup>

The County supports renewable energy production with many solar farms, including a 550-megawatt (MW) photovoltaic power station, Topaz Solar Farm, and a 250-MW station, California Valley Solar Ranch.

## **7. Serves regions with water resource challenges:**

*Describe the extent to which a project serves regions with significant water resource challenges, including the need to address water quality concerns in areas of regional, national, or international significance; water quantity concerns related to groundwater, surface water, or other resources; significant flood risk; water resource challenges identified in existing regional, state, or multistate agreements; and water resources with exceptional recreational value or ecological importance.*

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<sup>1</sup> California Division of Oil, Gas, & Geothermal Resources report, 2015: *Well Count and Oil and Gas Production by County*, [ftp://ftp.consrv.ca.gov/pub/oil/annual\\_reports/2015/County\\_Production\\_2015.pdf](ftp://ftp.consrv.ca.gov/pub/oil/annual_reports/2015/County_Production_2015.pdf)

<sup>2</sup> California Division of Oil, Gas, & Geothermal Resources map, 2000 *Energy Map of California*, <ftp://ftp.consrv.ca.gov/pub/oil/maps/Map%20S-2.pdf>

<sup>3</sup> Phillips 66 Santa Maria Refinery Community Relations website, <http://www.phillips66.com/EN/about/our-businesses/refining-marketing/refining/santamaria/Pages/index.aspx>

The City of Morro Bay has significant water resources challenges such as groundwater contamination, dependence on imported water, and drought-risk. There are significant areas of nitrate contamination in both of the City’s groundwater basins as a result of agriculture and other activities. In addition, there are limited surface water supplies that are constrained by presence of anadromous fish and other sensitive species. The Central Coast is particularly drought-prone and remains one of the few areas in California with on-going drought.

**8. Addresses identified priorities:**

*Describe the extent to which the project addresses identified municipal, state, or regional priorities.*

The project addresses priorities identified in the California Water Action Plan. The California Water Action Plan has been developed to meet three broad objectives: more reliable water supplies, restoration of important species and habitat, and a more resilient, sustainably managed water resources system that can better withstand pressures in the coming decades. The City of Morro Bay’s project will increase regional self-reliance and integrated water management, protect important ecosystems, manage and prepare for dry periods, and provide safe water for the community.

The project is aligned with California’s Recycled Water Policy which has a goal to increase the use of recycled water over 2002 levels by at least one million acre-feet per year (AFY) by 2020, and by at least two million AFY by 2030.

The project meets the City’s General Plan requirements for utility service and is consistent with current land use plans. In addition, the City’s Local Coastal Plan required a new recycled water facility to produce water for beneficial uses such as municipal or agricultural use.

**9. Financing plan:**

*Describe the extent to which the project financing plan includes public or private financing.*

The financing plan does not include private-public partnerships. The City will be solely responsible for project finance.

**10. Reduction of Federal assistance:**

*Describe the extent to which assistance under this subtitle reduces the contribution of Federal assistance to the project.*

Assistance under this subtitle does not reduce the contribution of Federal assistance to the project.

**11. Readiness to proceed:**

*Describe the readiness of the project to proceed toward development, including a demonstration by the prospective borrower that there is a reasonable expectation that the contracting process for*

*construction of the project can commence by not later than 90 days after the date on which a Federal credit instrument is obligated for the project.*

The City is planning to construct this project in 2018, contingent upon financing. The environmental documents are a significant milestone and they are expected to be certified in November 2017. The City has signed a Memorandum of Understanding with the property owner for purchase, but will not make a final purchase until the Final EIR is certified, as advised by the City Attorney.

## **12. Repair, rehabilitation, or replacement:**

*Describe the extent to which the project addresses needs for repair, rehabilitation or replacement of a treatment works, community water system, or aging water distribution or wastewater collection system.*

The project will replace a 60-year old wastewater treatment facility that does not meet current state or federal water quality standards for discharge. The existing wastewater treatment plant was constructed in the 1950's, relies on open-air sludge beds and processors, sits on 26 prime oceanfront acres threatened by sea-level rise, and dumps 1 million gallons of treated water into the ocean every day.

## **13. Economically stressed communities:**

*Describe the extent to which the project serves economically stressed communities, or pockets of economically stressed rate payers within otherwise non-economically stressed communities.*

The City of Morro Bay does not meet the guidelines of an "economically stressed community," however, there are pockets of disadvantaged communities located throughout the project area.

## SECTION F. CONTACT INFORMATION

### 1. Primary point of contact

**Name:** David Buckingham  
**Title:** City Manager  
**Organization:** City of Morro Bay  
**Street Address:** 955 Shasta Avenue  
**City/State/Zip:** Morro Bay, CA 93442  
**Phone:** 805-772-6205  
**E-mail:** [dbuckingham@morrobayca.gov](mailto:dbuckingham@morrobayca.gov)

### 2. Secondary point of contact

**Name:** Rob Livick  
**Title:** Public Works Director  
**Organization:** City of Morro Bay  
**Street Address:** 955 Shasta Avenue  
**City/State/Zip:** Morro Bay, CA 93442  
**Phone:** 805-772-6261  
**E-mail:** [rlivick@morrobayca.gov](mailto:rlivick@morrobayca.gov)

### 3. Tertiary point of contact

**Name:** Michael K. Nunley  
**Title:** Principal  
**Organization:** MKN & Associates  
**Street Address:** 530 Paulding Cir  
**City/State/Zip:** Arroyo Grande, CA 93420  
**Phone:** 805-904-6530 x 102  
**E-mail:** [mnunley@mknassociates.us](mailto:mnunley@mknassociates.us)



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## CERTIFICATIONS

1. *National Environmental Policy Act:* The applicant acknowledges that any project receiving credit assistance under this program must comply with all provisions of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.)
2. *American Iron and Steel:* The applicant acknowledges that any project receiving credit assistance under this program for the construction, alteration, maintenance, or repair of a project may only use iron and steel products produced in the United States and must comply with all applicable guidance.
3. *Prevailing Wages:* The applicant acknowledges that all laborers and mechanics employed by contractors or subcontractors on projects receiving credit assistance under this program shall be paid wages at rates not less than those prevailing for the same type of work on similar construction in the immediate locality, as determined by the Secretary of Labor, in accordance with sections 3141-3144, 3146, and 3147 of Title 40 (Davis-Bacon wage rules).
4. *Credit Ratings:* This applicant has received a preliminary rating opinion letter(s) on the project's senior debt instrument, from one or more rating agencies. These letters or ratings are attached as Exhibit XII.
5. *Credit Processing Fees:* The undersigned certifies that it will reimburse EPA for its costs incurred in negotiating the credit agreement, irrespective of whether the credit agreement is executed.
6. *Lobbying:* Section 1352 of Title 31, United States Code provides that none of the funds appropriated by any Act of Congress may be expended by a recipient of a contract, grant, loan, or cooperative agreement to pay any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, or an employee of a Member of Congress in connection with the award or making of a Federal contract, grant, loan, or cooperative agreement or the modification thereof. EPA interprets this provision to include the use of appropriated funds to influence or attempt to influence the selection for assistance under the WIFIA program.

WIFIA applicants must file a declaration: (a) with the submission of an application for WIFIA credit assistance; (b) upon receipt of WIFIA credit assistance (unless the information contained in the declaration accompanying the WIFIA application has not materially changed); and (c) at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the information contained in any declaration previously filed in connection with the WIFIA credit assistance.

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement,



**US Environmental Protection Agency**  
**WIFIA Program**  
**Application**

OMB Control No. 2040-0292  
 Approval expires 12/31/2019

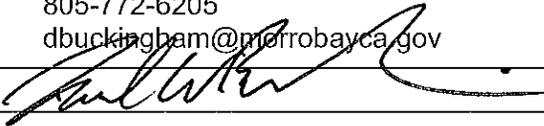
the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

7. *Debarment:* The undersigned further certifies that it is not currently, nor has it been in the preceding three years: 1) debarred, suspended, or declared ineligible from participating in any Federal program; 2) formally proposed for debarment, with a final determination still pending; 3) voluntarily excluded from participation in a Federal transaction; or 4) indicted, convicted, or had a civil judgment rendered against it for any of the offenses listed in the Regulations Governing Debarment and Suspension (Governmentwide Nonprocurement Debarment and Suspension Regulations: 2 C.F.R. Part 180 and Part 1532.
8. *Default/Delinquency:* The undersigned further certifies that neither it nor any of its subsidiaries or affiliates are currently in default or delinquent on any debt or loans provided or guaranteed by the Federal Government.
9. *Other Federal Requirements:* The applicant acknowledges that it must comply with all other federal statutes and regulations, as applicable. A non-exhaustive list of federal cross-cutting statutes and regulations can be found at: [www.epa.gov/wifia](http://www.epa.gov/wifia).
10. *Signature:* By submitting this application, the undersigned certifies that the facts stated and the certifications and representations made in this application are true, to the best of the applicant's knowledge and belief after due inquiry, and that the applicant has not omitted any material facts. The undersigned is an authorized representative of the applicant.

Name:	David Buckingham
Title:	City Manager
Organization:	City of Morro Bay
Street Address:	955 Shasta Avenue
City/State/Zip:	Morro Bay, CA 93442
Phone:	805-772-6205
E-mail:	dbuckingham@morrobayca.gov

Signature: 

Date Signed: 4-10-17